

25—2.20(175) Assumption of loans, substitution of collateral and transfer of property. Loans may not be assumed without the prior approval of the authority, and then only if the purchaser of the property is an eligible applicant for an authority loan. Equipment and other depreciable property may be exchanged or traded for similar property, and other property such as breeding livestock may be added or substituted as collateral at the discretion of the lender without the prior approval of the authority. The benefits of the loan made at the tax-exempt rate from the proceeds of an authority bond must remain with the qualified beginning farmer, and no person to whom property is traded or otherwise transferred may obtain the benefits of the authority loan.